

"(2) STATE AND LOCAL GOVERNMENT ELECTRONIC
BENEFIT
TRANSFER SYSTEMS.—

"(A) DEFINITION OF ELECTRONIC BENEFIT TRANSFER
SYSTEM.—In this paragraph, the term "electronic
benefit
transfer system" —

"(i) means a system under which a
government
agency distributes needs-tested benefits by
establishing
accounts that may be accessed by recipients
electroni-
cally, such as through automated teller
machines or
point-of-sale terminals; and

"(ii) does not include employment-related
pay-
ments, including salaries and pension,
retirement, or
unemployment benefits established by a Federal,
State,
or local government agency.

"(B) EXEMPTION GENERALLY.—The disclosures,
protec-
tions, responsibilities, and remedies established
under this
title, and any regulation prescribed or order
issued by
the Board in accordance with this title, shall not
apply
to any electronic benefit transfer system established
under
State or local law or administered by a State or
local
government.

"(C) EXCEPTION FOR DIRECT DEPOSIT INTO
RECIPIENT'S
ACCOUNT.—Subparagraph (B) shall not apply with
respect
to any electronic funds transfer under an electronic
benefit
transfer system for a deposit directly into a
consumer
account held by the recipient of the benefit.

"(D) RULE OF CONSTRUCTION.—No provision of this
paragraph —

"(i) affects or alters the protections
otherwise
applicable with respect to benefits established
by
any
other provision Federal, State, or local law; or

any "(ii) otherwise supersedes the application of
State or local law."

TITLE IX—MISCELLANEOUS

SEC. 901. APPROPRIATION BY STATE LEGISLATURES.

42 USC 601 note.

(1) IN GENERAL.—Any funds received by a State
under the
provisions of law specified in subsection (b) shall be
subject to

appropriation by the State legislature, consistent with the terms and conditions required under such provisions of law.

(2) PROVISIONS OF LAW.—The provisions of law specified in

this subsection are the following:

(3) Part A of title IV of the Social Security Act (relating to block grants for temporary assistance for needy families).

(4) The Child Care and Development Block Grant Act of 1990 (relating to block grants for child care).

SEC. 902. SANCTIONING FOR TESTING POSITIVE FOR CONTROLLED SUBSTANCES. 21 USC 862b.

Notwithstanding any other provision of law, States shall not be prohibited by the Federal Government from testing welfare recipients for use of controlled substances nor from sanctioning welfare recipients who test positive for use of controlled substances.